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AMENDMENT ONE
TO
SUPPLEMENT NUMBER FIVE
DATED 24 SEPTEMBER 2004
TO THE
MEMORANDUM OF UNDERSTANDING
ON A
COOPERATIVE PROGRAM
FOR A
MEDIUM MULTIPLE LAUNCH ROCKET SYSTEM
DATED 14 JULY 1979
AMONG
THE MINISTER OF DEFENCE OF THE FRENCH REPUBLIC
THE FEDERAL MINISTRY OF DEFENCE OF THE FEDERAL REPUBLIC OF GERMANY
THE MINISTRY OF DEFENCE OF THE ITALIAN REPUBLIC
THE SECRETARY OF STATE FOR DEFENCE OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
AND
THE DEPARTMENT OF DEFENSE OF THE UNITED STATES OF AMERICA
FOR THE
PRODUCTION AND SUPPORT PHASE
OF A
GUIDED MLRS PROGRAM

CERTIFICATION OF AUTHENTICITY

I hereby certify this to be a true copy of Amendment One to Supplement Number Five, Dated 24 September 2004, to the Memorandum of Understanding on a Cooperative Program for a Medium Multiple Launch Rocket System, Dated, July 1979, Among the Minister of Defense of the French Republic, the Federal Ministry of Defence of the Federal Republic of Germany, the Ministry of Defence of the Italian Republic, the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland and the Department of Defense of the United States of America for the Production and Support Phase of a Guided MLRS Program.

The Office of the Deputy Assistant Secretary of the Army for Defense Exports and Cooperation, Armaments Cooperation Division, maintains custody of a signed copy of the amendment.

MARC SUKOLSKY
INTERNATIONAL AGREEMENTS SPECIALIST

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INTRODUCTION

The Minister of Defense of The French Republic (FR),

The Federal Ministry of Defence of The Federal Republic of Germany (GE),

The Ministry of Defence of The Italian Republic (IT),

The Secretary of State for Defence of The United Kingdom of Great Britain and Northern Ireland (UK), and

The Department of Defense of The United States of America (US),

hereinafter jointly referred to as the "Participants":

Having a common interest in defense;

Recognizing the benefits to be obtained from standardization, rationalization, and interoperability of military equipments;

Desiring to improve their mutual conventional defense capabilities through the application of emerging technology;

Having a mutual need for the Guided Multiple Launch Rocket System to satisfy common operational requirements; and

Recognizing the benefits of cooperation in the Guided Multiple Launch Rocket System;

Have decided to enter into a Cooperative Production and Support Phase of the Guided MLRS (GMLRS) Program with the Ministry of Defense of the French Republic (FR), the Federal Ministry of Defence of the Federal Republic of Germany (GE), and the Ministry of Defence of the Italian Republic (IT) as new Participants and have accordingly reached the *following understandings with Amendment One changes highlighted herein:*

SECTION I

DEFINITIONS

The Participants have jointly decided upon the following definitions for terms used in this Supplement:

BEST VALUE
A term used in the process to select the most cost effective offer for timely delivery of a product which meets its performance requirements by evaluating and comparing factors such as price, time of delivery and Contractor past performance.

CLASSIFIED INFORMATION
Official information that requires protection in the interests of national security and is so designated by the application of a security classification marking. This information may be in oral, visual, magnetic or documentary form or in the form of equipment or technology.

COMPETITION SENSITIVE INFORMATION
Information generated by either the Prime Contractor or his subcontractors, or the Government's evaluation of such information, which, if disclosed to another current or potential contractor, could jeopardize or compromise the contractor's competitive position.

CONTRACT
Any mutually binding legal relationship under national laws, which obligates a Contractor to furnish supplies or services, and obligates one or all of the Participants to pay for them.

CONTRACTING AGENCY
The entity within the government organization of a Participant, which has authority to enter into, administer, or terminate Contracts.

CONTRACTING OFFICER
A person representing a Contracting Agency of a Participant who has the authority to enter into, administer, or terminate contracts.

CONTRACTOR
Any entity awarded a contract by a Participant's Contracting Agency, any subcontractor or prospective contractor.

CONTRACTOR SUPPORT PERSONNEL
Persons specifically identified in support contracts who provide administrative managerial, scientific, or technical support services to a Participant under a Contract with that Participant that prohibits using information received under the contract for any other purpose.

CONTROLLED UNCLASSIFIED INFORMATION
Unclassified Information to which access or distribution limitations have been applied in accordance with applicable national laws or regulations. Whether the information is provided or generated under this Supplement, the information will be marked to indicate its "in confidence" nature. U.S. export-controlled technical data will be marked as "International Traffic in Arms Regulations (ITAR)-Controlled." UK export-controlled technical data will be marked as "Export Controls Act Controlled". FR export-controlled technical data will be marked with their annotation remarking on its "in confidence nature." GE export-controlled technical data will be marked as "Ausfuhrgenehmigungspflichtige Technologie gemaess AWG/AWV." IT export-controlled technical data will be marked as "per uso esclusivo d'ufficio". It could include information, which has been declassified, but remains controlled.

COOPERATIVE PROJECT PERSONNEL (CPP)
Military members or civilian employees of a Participant assigned to the Program Management Office (PMO) who perform managerial, engineering, technical, administrative, contracting, logistics, financial, planning or other functions in furtherance of the Project.

DEFENSE PURPOSES
Manufacture or other use in any part of the world by or for the armed forces of either Participant.

DESIGNATED SECURITY AUTHORITY (DSA)
The security office approved by national authorities to be responsible for the security aspects of this Supplement.

DPICM
Dual Purpose Improved Conventional Munition.

ENGINEERING AND MANUFACTURING DEVELOPMENT (EMD)
The EMD phase carried out under Supplement Number Four to the MLRS Basic MOU was the third phase in the acquisition process of GMLRS. The system and the principal items necessary for its support were fully developed, engineered, designed, fabricated, tested and evaluated. The outputs were, a pre-production system, which resembled the final product, the documentation necessary to enter the production phase, and the test results, which demonstrated that the product will meet its stated requirements.

FINANCIAL COSTS
Project costs met with monetary contributions.

GLOBAL POSITIONING SYSTEM/PRECISE POSITIONING SERVICE HOST APPLICATION EQUIPMENT (GPS/PPS HAE)
Applications of electronic products that implement or contain any of the GPS/PPS security functions, i.e., selective availability (SA), anti-spoofing (A-S), and associated cryptography. GPS/PPS HAE receives and processes the PPS signals transmitted from the GPS satellites. GPS/PPS HAE are categorized as standalone, embedded, or integrated.

Standalone HAE are self-contained GPS receivers, which are capable of being operated independently of other systems. Embedded HAE are GPLS receiver modules or circuit card assemblies, which are intended to be integrated into other systems. Integrated HAE are enclosed multi-functional or multi-sensor systems, which contain embedded GPS receivers.

GMLRS PROGRAM
The GMLRS Program encompasses the joint development, production and operational support of guided rockets with a universal guidance section, associated software and hardware, training, logistics and integration with the MLRS launcher and other GMLRS platforms.

HOST PARTICIPANT
The Participant on whose territory the PMO is located.

INFORMATION
Any information, regardless of form or type, including, but not limited to, that of a scientific, technical, business, or financial nature, and also including photographs, reports, manuals, threat data, experimental data, test data, designs, specifications, processes, techniques, inventions, drawings, technical writings, sound recordings, pictorial representations, and other graphical presentations, whether in magnetic tape, computer memory, or any other form and whether or not subject to copyright, Patent, or other legal protection.

INTEGRATION
Final assembly of system from qualified subsystem sources.

MLRS
A medium caliber Field Artillery Multiple Launch Rocket System. The system includes rocket rounds; command, launch and mobility equipment; and other supporting equipment. The rocket round includes an assembled payload (warhead section) and a rocket motor with stabilizing fins. The command and launch equipment includes a launch pod/container, a launcher, an on-board fire control system, a communications equipment interface, and a self-propelled carrier. Other supporting equipment includes auxiliary equipment, technical documentation, special tools, maintenance and training equipment, and an ammunition re-supply vehicle.

NON-FINANCIAL COSTS
Project costs met with non-monetary contributions.

PARENT PARTICIPANT
The Participant, which sends its CPP to the PMO located in the nation of the Host Participant.

PARTICIPANT
A signatory to this MOU represented by its military and civilian personnel. Contractors and Contractor Support Personnel will not be representatives of a Participant under this MOU.

PATENT
Legal protection of the right to exclude others from making, using, or selling an invention. The term refers to any and all Patents including, but not limited to, Patents of implementation, improvement or addition, petty Patents, utility models, appearance design Patents, registered designs, and inventor certificates or like statutory protection as well as divisions, reissues, continuations, renewals, and extensions of any of these.

PERFORMANCE REQUIREMENT
A Performance Requirement addresses those operational and support characteristics of the system that allow it effectively and efficiently to perform assigned missions over time. This document is used in the initial system development and procurement as a basis for describing the technical requirements for items, materials, and services including the procedures by which it will be determined that the requirements have been met. These specifications may be unique to a specific program or may be common to several applications.

PRODUCT DEFINITION DATA PACKAGE (PDDP)
The PDDP was the deliverable technical documentation at the end of EMD Phase. It consisted of a performance specification, product drawings and associated lists, software documentation, and computer software product end items.

PRODUCTION
The manufacture of a system, sub-system or equipment in a plant or factory using series (i.e. full-scale) manufacturing techniques.

PROJECT
The Production and Support Phase of the GMLRS program conducted under this Supplement.

PROJECT BACKGROUND INFORMATION
Information not generated in the performance of work under the GMLRS Production and Support Phase.

PROJECT FOREGROUND INFORMATION
Technical Information generated in the performance of work under the GMLRS Production and Support Phase using the Participants' funds.

PROJECT EQUIPMENT
Any material, equipment, end item, subsystem, component, special tooling or test equipment jointly acquired or provided for use in the GMLRS Production and Support Phase.

PROJECT INFORMATION
Any Information provided to, generated in, or used in the GMLRS Production and Support Phase.

PROJECT INVENTION

Any invention or discovery formulated or made (conceived or "first actually reduced to Practice") in the course of work performed under the GMLRS Production and Support Phase. The term first actually reduced to practice means the first demonstration, sufficient to establish to one skilled in the art to which the invention pertains, of the operability of an invention for its intended purpose and in its intended environment.

PROJECT SECURITY INSTRUCTION (PSI)

A formal, comprehensive document that details the mandatory security standards and procedures to be followed for handling and controlling information and Project Equipment. It also provides guidelines and authority for the security classification of Information and Project Equipment. This document is to be used by the Participants and Contractors for determining what Information and Project Equipment is classified, and its level of classification.

THIRD PARTY

A government other than the government of a Participant and any person or other entity whose government is not the government of a Participant.

SECTION II

GENERAL PROVISIONS

2.1. GUIDING DOCUMENTS

The following documents are recognized as guiding documents in the execution of the provisions of this Supplement:

2.1.1. Memorandum of Understanding on a Cooperative Program for a Medium Multiple Launch Rocket System, dated 14 July 1979 (the Basic MOU).

2.1.2. Supplement to the Basic Memorandum of Understanding on a Cooperative Program for a Medium Multiple Launch Rocket System – Italian Participation as an Associate Member, dated 29 July 1982.

2.1.3. Procurement Supplement to the Basic Memorandum of Understanding for a Multiple Launch Rocket System, dated 12 March 1986.

2.1.4. Supplement Number Four to the Basic MOU, dated 30 September 1998, for a GMLRS Engineering Manufacturing and Development (EMD) Phase.

2.1.5. Amendment One to the Basic Memorandum of Understanding, dated 8 November 2002.

2.1.6. Amendment One to the Italian Supplement to the Basic Memorandum of Understanding, dated 8 November 2002.

2.1.7. The North Atlantic Treaty regarding Status of their Forces, dated 19 June 1951.

2.2. PRECEDENTS

The Basic MOU established the general principles to be applied throughout all collaborative Phases of the Program. These will apply in the GMLRS Production and Support Phase. This Supplement Number Five to the Basic MOU further sets out the particular and additional principles and arrangements that apply during the GMLRS Production and Support Phase. All the Basic MOU provisions will remain valid for the GMLRS Production and Support Phase, except where the indicated Supplement Five provisions are in direct conflict with a provision of the Basic MOU. In such cases, this Supplement will control.

SECTION III

OBJECTIVES

The Objectives of this Production and Support Phase are:

3.1. To achieve the common operational capabilities required by the Participants, by cooperative production of the GMLRS rocket, while maintaining interoperability among the Participants;

3.2. To minimize cost to Participants through cooperative procurement of GMLRS rockets, subsystems and components, and by maximizing international competition at sub-contract level, in accordance with Section VIII (Work Sharing);

3.3. To establish that the overriding requirement for Best Value will govern industrial participation by the Participants' industries;

3.4. To minimize support costs through collaboration on any required updates to the GMLRS design, cooperative testing of rockets and subsystems;

3.5. To minimize support costs through cooperative maintenance of GMLRS rockets, if Participants jointly desire;

3.6. To minimize cost to Participants through cooperative pursuit of technology improvements; and

3.7. To minimize cost to Participants through a joint engineering services arrangement.

SECTION IV

SCOPE OF WORK

4.1. COOPERATIVE ACTIVITIES

The following activities are within the scope of this Supplement:

- Cooperative procurement of systems and/or subsystems
- Cooperative system engineering and design updates
- Cooperative test activities
- Cooperative GMLRS maintenance facility
- Pursuit of technology improvements
- Cooperative project support

4.1.1. Cooperative procurement of systems and/or subsystems.

4.1.1.1. The requirements and configurations of the GMLRS rockets to be produced under this Supplement are defined solely by the common operational requirements as stated in the Training and Operational Employment Working Group (TOEWG) International Cooperative GMLRS Statement of Harmonized Requirements. No other configurations will be produced under this Supplement.

4.1.1.2. It is the intention of the Participants to facilitate the combined procurement of the subsystems and components of the GMLRS rocket by the GMLRS integration contractor(s) in order to lower procurement costs through procurement of increased quantities. It is also the intention of the Participants to maximize the use of international competitive tendering for sub-contracts, in order to minimize costs, in accordance with Section VIII (Work Sharing). The U.S. Project Manager, as Program Coordinator will be the Contracting authority for combined procurements.

4.1.2. Cooperative System Engineering and Design Updates.

4.1.2.1. A cooperative engineering services Contract will be jointly funded by the Participants. The Contract will cover design and engineering technical support services for the GMLRS rocket, components, and support equipment.

4.1.2.2. The Participants will jointly maintain Government controlled aspects of the PDDP, in particular the interface control documents. Maintenance of the PDDP will be performed under an engineering services Contract jointly funded.

4.1.3. Cooperative test activities: Cooperative test activities including qualification of common sources, qualification of production lots through testing, stockpile reliability and shelf life testing. Cooperation on test activities will include, as jointly determined in the GMLRS Procurement Plan, sharing of test data, coordination of test assets, and utilization of test facilities operated by the Participants.

4.1.4. Cooperative GMLRS maintenance facility: The Participants may jointly determine the establishment and operation of a maintenance facility in Europe for maintenance of European assets and U.S. assets pre-positioned in Europe.

4.1.5. Pursuit of technology improvements: Pursuit of such improvements may be conducted either as national programs or cooperatively between the Participants.

4.1.6. Cooperative project support: The Parent Participants will provide Cooperative Project Personnel (CPP) to the Precision Fires Rocket and Missile Systems (PFRMS) Project Management Office (PMO).

4.2. PROCUREMENT PLAN

4.2.1. The procurement requirements and cooperative activities of the Participants will be stated in a GMLRS Procurement Plan. The Procurement Plan is a tool for the Participants and is not a legally binding document nor does it contain any obligation of its own to the Participants. Procurement requirements by quantity and year will be included for each Participant.

4.2.1.1. Subject to the provisions of this Supplement, this plan will include proposals for sales and delivery priorities, and for distribution of recouped development program costs and/or other surcharges among the Participants. These will also include a schedule of estimated prices covering sales to Third Parties. Final prices will, however, be negotiated between the buyer and the seller on a case-by-case basis.

4.2.1.2. Annually, a working group as established and directed by the Executive Management Committee (EMC), will generate and update the GMLRS Procurement Plan for approval by the EMC. Updates will include any revision to the number of GMLRS units that each Participant plans to purchase in the upcoming year.

4.3. SUPPORT PLAN

4.3.1. The support requirements and cooperative activities of the Participants will be stated in a GMLRS Support Plan. The Support Plan is a tool for the Participants and is not a legally binding document nor does it contain any obligation of its own to the Participants.

4.3.1.1. Subject to the provisions of this Supplement, this plan will include details for the cooperative support of fielded rockets and pods, including sharing of surveillance, test and inspection data, and mutually supporting maintenance agreements and initiatives.

4.3.1.2. The EMC will generate, annually review, and update as required, the GMLRS Support Plan.

SECTION V

PROGRAM MANAGEMENT

5.1. GENERAL

The GMLRS Program Management Structure for this Supplement will be a subset of the existing Basic MOU MLRS Program Management structure. The U.S. Project Manager (PM), heading the U.S. Precision Fires Rocket and Missile Systems (PFRMS) Program Management Office (PMO), or successor in case of reorganization, will serve as Program Coordinator (PC) for the Production and Support Phase. Decisions on the joint program will be unanimous, with any disagreements referred to the Joint Steering Committee. A diagram of the GMLRS Cooperative Production Phase Management Structure is attached as Annex A.

5.2. JOINT STEERING COMMITTEE (JSC)

5.2.1. Structure and Functions of Committee

The MLRS JSC will monitor the implementation of tasks enumerated in this Supplement. A senior national representative who is the voting member will represent each of the Participants on the JSC. Other representatives may attend committee meetings as required by each of the Participants. In principle, meetings will be held in the country of each Participant in turn. Each meeting of the JSC will be chaired by the representative of the host Participant, or as otherwise determined by the Participants. The committee will meet at least twice a year. Meetings are normally held using interpreters. Within the scope and the objectives of the Production and Support Phase, the JSC will have, but not be limited to the following functions:

5.2.1.1. Authority to redirect the Production and Support Phase within the objectives and scope defined in Sections III and IV of this Supplement.

5.2.1.2. Resolution of issues submitted and recommendations proposed by the EMC.

5.2.2. Decisions

5.2.2.1. The JSC will make its decisions by unanimous consent. In the event that unanimous consent cannot be reached, each member will immediately submit the matter in dispute to higher authority in his own government, normally the National Armaments Director, in the form of a JSC statement, for resolution. Each member of the JSC will be